



Performance Plan

Department
Financial Services

2011- 2012 Financial Year

Phumelela Local Municipality



1. Purpose

The performance plan defines the Council's expectations of the Municipal Manager's performance agreement to which this document is attached and Section 57 (5) of the Municipal Systems Act, which provides that performance objectives and targets must be based on the key performance indicators as set in the Municipality's Integrated Development Plan (IDP) and as reviewed annually.

2. Key responsibilities

The following objects of local government will inform the Municipal Manager's performance against set performance indicators:

- 2.1 Provide democratic and accountable government for local communities.
- 2.2 Ensure the provision of services to communities in a sustainable manner.
- 2.3 Promote social and economic development.
- 2.4 Promote a safe and healthy environment.
- 2.5 Encourage the involvement of communities and community organisations in the matters of local government.

3. Key Performance Areas

The following Key Performance Areas (KPAs) as outlined in the Local Government: Municipal Planning and Performance Management Regulations (2001) inform the strategic objectives listed in the table below:

- 3.1 Municipal Transformation and Organisational Development
- 3.2 Basic Service Delivery
- 3.3 Local Economic Development (LED)
- 3.4 Municipal Financial Viability and Management
- 3.5 Good Governance and Public Participation

Key Performance are	Weight	IDP Goal	Key Performance Indicator	Input Indicator	Output Indicator	Service standard	Unit of measurement	Targets: July-Sept 2011	Targets: Oct-Dec 2011	Targets: Jan-March 2012	Targets: April-June 2012
Good Governance and Public Participation		To formalize audit and risk systems and procedures in the Municipality to ensure a clean audit by 2014	<ul style="list-style-type: none"> Risks are identified, evaluated and managed Number of sittings by the audit committee 	<ul style="list-style-type: none"> Internal auditing Response to external audits Risk management and risk assessment Audit Committee (financial governance) 	<ul style="list-style-type: none"> An operational audit committee An approved risk management policy and strategy An operational internal audit unit 	<ul style="list-style-type: none"> 2011/12 – qualification audit opinion Risks identified, assessed and controlled according to the approved Risk Management Policy and Strategy of the Municipality Audit Committee - Shared function with district Conduct the legislatively prescribed functions of the audit committee 	Risks are identified, evaluated and managed				Risk Management Policy and Strategy approved
		Generic Goal To ensure the effective management of the municipality	Attend all scheduled management meetings				Scheduled management meetings	As scheduled	As scheduled	As scheduled	As scheduled
			Attend all scheduled Council meetings				Scheduled Council meetings	As scheduled	As scheduled	As scheduled	As scheduled
		Generic Goal To ensure proper consultation with the community in	Support the Mayor, the Council and the Municipal Manager in				Provide information for community participation	When required	When required	When required	When required

Key Performance are	Weight	IDP Goal	Key Performance Indicator	Input Indicator	Output Indicator	Service standard	Unit of measurement	Targets: July-Sept 2011	Targets: Oct-Dec 2011	Targets: Jan-March 2012	Targets: April-June 2012
		line with the requirements of the Constitution, Chapter 4 of the Systems Act and all other relevant policy documents	ensuring appropriate community consultation				sessions				
		Generic Goal To improve the audit opinion about the activities of the municipality	Ensure regulatory management and activities in the business of the Department, to enable the Municipality to improve the audit opinion about its affairs				Quality and quantity of audit queries generated	Improvement on base-line	Improvement on base-line	Improvement on base-line	Improvement on base-line
		Generic Goal To provide inputs for the annual report and an oversight report	To keep record of, and inputs required for the timely compilation of the annual and mid-year performance assessment reports				Information provided	According to legislative and institutional requirements and deadlines	According to legislative and institutional requirements and deadlines	According to legislative and institutional requirements and deadlines	According to legislative and institutional requirements and deadlines
		To ensure effective integrated development planning in the Municipality	Participate in IDP Review processes Meetings				Number of IDP Meetings	0	0	0	1

Key Performance are	Weight	IDP Goal	Key Performance Indicator	Input Indicator	Output Indicator	Service standard	Unit of measurement	Targets: July-Sept 2011	Targets: Oct-Dec 2011	Targets: Jan-March 2012	Targets: April-June 2012
			IDP / PMS / Budget road shows				Number of IDP/PMS/Budget road shows	0	0	0	1
			Comment on Draft IDP				Written Comments	0	0	0	1
		Generic Goal	Participate in SDBIP workshop				Number of workshops	0	0	0	1
		Organizational PM system									
			Signed Performance Agreements for each Section 57 Manager				Signed Performance agreements for each Section 57 Manager	0	0	0	1
			Evaluation of section 57 Employees				Evidence files	1	0	1	0
			Quarterly, mid year and annual performance reports submitted				Number of reports	1	1	1	1
			Provide inputs for Section 72/ Mid year Budget and Performance Report				Inputs provided	0	0	1	0

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		Generic Goal Individual performance management system	Individual performance agreements developed and signed				Number of agreements per Department	0	0	0	All Section 57 managers
			Individual staff assessments and reports				Number of assessments and reports submitted per Department	1	1	1	1
		Generic Goal To review and developed policy's and by-laws according to each Departments functions	Develop and review policies according to the Departments functions				Number of policies	0	0	0	As required
Municipal Financial Viability and Management		To improve the financial viability of the Municipality during the 2011/12 financial year as measured in terms of the following outcomes: • Increase the	<ul style="list-style-type: none"> Percentage increase in the operational cash flows of the Municipality by 15% Value of monthly collections on arrears Quarterly collection rate 	Cash flow forecasting, management and control Revenue and debt collection Credit control	Improved cash flows Billing and revenue collection Payment control	<ul style="list-style-type: none"> Sustained improvement in cash flow and financial viability situation of the Municipality Amnesty for arrear 	Percentage increase in the operational cash flows of the Municipality				15%

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		operational cash flows of the Municipality by 15% • Collection rate: 70% per quarter • Creditors to be paid within 30 days	(collection vs billings) • Payment period (payment of creditors)			accounts extended until end of March. Those that have paid 50% of arrears, the rest will be written off. No response to amnesty – legal action.					
							Value of monthly collections on arrears	R1,2m p/m = R4,8m	R1,2m p/m = R4,8m	R1,2m p/m = R4,8m	R1,2m p/m = R4,8m
							Quarterly collection rate (collection vs billings)	70%	70%	70%	70%
							Payment period (payment of creditors)	Creditors to be paid within 30 days	Creditors to be paid within 30 days	Creditors to be paid within 30 days	Creditors to be paid within 30 days
		To improve the financial management of the Municipality, as measured in terms of the following indicators for the 2011/12 financial	• Appointment of a Creditors (1) and (2) Payroll Clerk; • An updated policy register (measured: register 100% updated during any and all	Filling of key vacancies on the staff establishment of the Finance Department Updating of financial and	Competent financial personnel Updated financial registers	• Financial record-keeping, compliance and management improved • All internal controls in place and	Appointment of a Creditors (1) and (2) Payroll Clerk			2	

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								July-Sept 2011	Oct-Dec 2011	Jan-March 2012	April-June 2012
		year: <ul style="list-style-type: none"> • Appointment of a Creditors and Payroll Clerk; • An updated policy register; • Implementation of internal controls according to the internal Action Plan; • Incorporation of the fixed assets register into the financial system; • Regular updating of the Investment Register; and • Regular updating of the Loans Register. • Upgrade / improve the debt control / debt collection capacity of the Municipality • Updating of the indigent register 	performance evaluation periods); <ul style="list-style-type: none"> • Implementation of internal controls according to the internal Action Plan (measured in terms of the responsibilities and targets in the Action Plan); • Incorporation of the fixed assets register into the financial system (measured: register 100% updated during any and all performance evaluation periods); • Regular updating of the Investment Register (measured: register 100% updated during any and all performance evaluation periods); and • Regular updating of the Loans Register (measured: register 100% updated during any and all performance 	related registers		enforced according to Action Plan with responsibilities <ul style="list-style-type: none"> • Source funds for new financial system that is GRAP compliant • Purification of indigent records • Purification (100%) 					

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			evaluation periods). • Amount written off in respect of irrecoverable revenue								
		To formalize audit and risk systems and procedures in the Municipality to ensure a clean audit by 2014	• Annual financial statements compiled and submitted	• Audit Financial Statements	• AFS submitted as legislatively prescribed	• Annual Financial Statements completed and submitted as legislatively prescribed	Annual financial statements compiled and submitted	1			
		To implement an asset management system, as measured against the following indicators (iro the 2011/12 financial year): • Finalization of an asset and disposal, acquisition and disposal policy • Implementation and updating of an asset register. • Valuation of assets.	Number of asset acquisition and disposal policies approved	Asset management and control	Asset management policy and procedures Asset register	Integrated asset management approach to be implemented – a long-term aim	Number of asset acquisition and disposal policies approved		1		
		To implement and execute the	Property Rates Act implemented,	Revenue collection	Revenue	• Activities to be performed	The percentage of property	100%	100%	100%	100%

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		Property Rates Act, according to internal schedules, deadlines and responsibilities during the 2011/12 financial year	as measured in terms of – <ul style="list-style-type: none"> • The percentage of property owners included on the billing system; • Property rates collection rates 	through administration of property rates legislation	collected	according to the requirements of the Property Rates Act <ul style="list-style-type: none"> • All property owners are billed correctly and that they pay monthly dues 	owners included on the billing system				
							Collection rates	70%	70%	70%	70%
		Generic Goal Risk Assessment Unit	Participation by the Department in the Risk Committee				Number meetings	0	0	0	1
		Generic Goal To compile a consolidated annual Budget	To ensure that the department's budget is reviewed annually and that budget inputs are provided to the CFO according to budget schedule requirements				Review of the department's budget				1
							Provide inputs on the department's budget				1
Local Economic Development		Generic Goal To ensure that all vacant funded	Ensure that all funded critical vacancies are				Filling of posts	As required	As required	As required	As required

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		posts are filled	filled timely to ensure optimal municipal performance; within the guidelines of affordability								
Good Governance and Public Participation		Generic Goal To ensure the effective management of the municipality	Attend all scheduled management meetings				Scheduled management meetings	As scheduled	As scheduled	As scheduled	As scheduled
			Attend all scheduled Council meetings				Scheduled Council meetings	As scheduled	As scheduled	As scheduled	As scheduled
		Generic Goal To ensure proper consultation with the community in line with the requirements of the Constitution, Chapter 4 of the Systems Act and all other relevant policy documents	Support the Mayor, the Council and the Municipal Manager in ensuring appropriate community consultation				Provide information for community participation sessions	When required	When required	When required	When required
		Generic Goal To improve the	Ensure regulatory management and activities in the business of the Department, to				Quality and quantity of audit queries generated	Improvement on base-line	Improvement on base-line	Improvement on base-line	Improvement on base-line

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		audit opinion about the activities of the municipality	enable the Municipality to improve the audit opinion about its affairs								
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		system									
			Signed Performance Agreements for each Section 57 Manager				Signed Performance agreements for each Section 57 Manager	0	0	0	1
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AGREEMENT ON PERFORMANCE PLAN FOR THE PERIOD 2011 TO 2012

Signed and accepted by: Manager Financial Services

Name: _____

Signed by: The Municipal Manager on behalf of the Council

Name: _____

